



State Board of Equalization

News Release

Vice Chair Michelle Steel

3rd District – Rolling Hills Estates

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Michelle Steel Reminds Retailers: Statewide Sales and Use Tax Rate Decreased by 1% on July 1

Board of Equalization (BOE) Vice Chair Michelle Steel reminded retailers today that the statewide sales and use tax rate decreased from 8.25 percent to 7.25 percent on July 1, 2011.

“Two years ago, when Californians were asked to extend this tax, two-thirds answered ‘no,’” said Steel.

“On July 1, the will of the taxpayers was upheld. This lower tax rate will help our economy and allow taxpayers to keep more of the income they work hard to earn.

“In order to make sure that California’s taxpayers get the full benefit of this tax decrease, and that retailers stay out of trouble, today I’d like to remind all California retailers to double check that they have updated their systems to collect the decreased rate.”

The Board of Equalization has also sent an updated Special Notice to retailers today, reminding them of the lower tax rate. The special notice is available at <http://www.boe.ca.gov/news/pdf/1285.pdf>.

Some retailers may not have reprogrammed their cash registers in time for the tax rate change. If you charged sales tax reimbursement or collected use tax at the higher rate on or after July 1, 2011, you must return any excess tax collected to your customers or pay it to the State.

The 1 percent decrease applies, generally, to all taxable transactions in California. In areas where voters have approved additional sales taxes, the total tax rate applied to purchases will be the statewide base tax rate of 7.25 percent, plus any applicable local sales tax. Retailers should check the BOE website, www.boe.ca.gov, for updates.

The sales and use tax rate in California currently ranges from 7.25 percent to 9.75 percent, depending on whether additional regional voter-approved sales taxes apply.

For a current listing of California sales and use tax rates by city and county, please visit our website at www.boe.ca.gov/cgi-bin/rates.cgi.

Elected to the Board of Equalization in 2006 and re-elected in 2010, Michelle Steel serves as *Southern California’s elected taxpayer advocate*. In December 2007, Steel discovered the Board of Equalization had delayed the return of millions of dollars in security deposits owed to California businesses. Procedures were changed due to Steel’s decisive leadership. Following her investigation, the tax agency refunded tax security deposits to over 5,500 small businesses. To date, over \$100 million in security deposits have been returned to taxpayers.

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